

## Overall Revenue Position

Table 1: Council Fund 2020/21 Outturn Forecast Summary Statement at Month 9

Service Area	Original Budget 2020/21	Budget Adjustments Months 1-9	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M9	Forecast (Under) / Over Spend @ M7	Variance from M7 to M9
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Social Care, Health & Safeguarding	50,685	(170)	50,515	51,823	1,308	1,707	(399)
Children & Young People	55,539	534	56,073	56,159	86	125	(39)
Enterprise	24,132	(1,530)	22,602	26,431	3,829	4,617	(788)
Chief Executives Unit	4,745	4	4,749	4,745	(4)	62	(66)
Resources	7,746	30	7,776	8,163	387	193	194
Corporate Costs & Levies	22,743	229	22,972	22,985	13	42	(29)
<b>Net Cost of Services</b>	<b>165,590</b>	<b>(903)</b>	<b>164,687</b>	<b>170,307</b>	<b>5,620</b>	<b>6,746</b>	<b>(1,126)</b>
<b>Appropriations</b>	<b>4,857</b>	<b>1,163</b>	<b>6,020</b>	<b>5,756</b>	<b>(264)</b>	<b>(163)</b>	<b>(101)</b>
<b>Expenditure to be Financed</b>	<b>170,447</b>	<b>260</b>	<b>170,707</b>	<b>176,062</b>	<b>5,355</b>	<b>6,583</b>	<b>(1,228)</b>
<b>Financing</b>	<b>(170,447)</b>	<b>(260)</b>	<b>(170,707)</b>	<b>(170,915)</b>	<b>(208)</b>	<b>(157)</b>	<b>(51)</b>
<b>Net General Fund (Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,147</b>	<b>5,147</b>	<b>6,426</b>	<b>(1,279)</b>

Table 2: Council Fund 2020/21 Outturn Forecast Detailed Statement at Month 9

Service Area	Original Budget 2020/21	Budget Adjustments Months 1-9	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M9	Forecast (Under) / Over Spend @ M7	Variance from M7 to M9
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Adult Services	7,877	(55)	7,822	7,760	(62)	180	(242)
Children Services	14,428	(63)	14,365	15,798	1,433	1,460	(27)
Community Care	24,434	30	24,464	24,523	59	(4)	63
Commissioning	1,483	(65)	1,418	1,312	(106)	(103)	(3)
Partnerships	436	0	436	436	0	0	0
Public Protection	1,481	(14)	1,467	1,450	(17)	178	(195)
Resources & Performance	546	(3)	543	544	1	(4)	5
<b>Social Care, Health &amp; Safeguarding</b>	<b>50,685</b>	<b>(170)</b>	<b>50,515</b>	<b>51,823</b>	<b>1,308</b>	<b>1,707</b>	<b>(399)</b>
Individual Schools Budget	47,420	(356)	47,064	46,630	(434)	(316)	(118)
Resources	1,234	10	1,244	1,247	3	14	(11)
Standards	6,885	880	7,765	8,283	518	427	91
<b>Children &amp; Young People</b>	<b>55,539</b>	<b>534</b>	<b>56,073</b>	<b>56,159</b>	<b>86</b>	<b>125</b>	<b>(39)</b>
Business Growth and Enterprise	2,468	(168)	2,300	2,238	(62)	(50)	(12)
Facilities & Fleet Management	5,665	(1,266)	4,399	5,321	922	1,222	(300)
Neighbourhood Services	10,483	(26)	10,457	10,957	500	783	(283)
Planning & Housing	1,951	(133)	1,818	3,063	1,245	993	252
Countryside & Culture (MonLife)	1,348	(8)	1,340	1,461	121	82	39
Finance & Business Development (MonLife)	1,507	116	1,623	1,580	(43)	(107)	64

Service Area	Original Budget 2020/21	Budget Adjustments Months 1-9	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M9	Forecast (Under) / Over Spend @ M7	Variance from M7 to M9
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Leisure, Youth & Outdoor Adventure (MonLife)	710	(45)	665	1,811	1,146	1,694	(548)
<b>Enterprise</b>	<b>24,132</b>	<b>(1,530)</b>	<b>22,602</b>	<b>26,431</b>	<b>3,829</b>	<b>4,617</b>	<b>(788)</b>
Legal & Land Charges	839	(6)	833	806	(27)	40	(67)
Governance, Democracy & Support	3,906	10	3,916	3,939	23	22	1
<b>Chief Executives Unit</b>	<b>4,745</b>	<b>4</b>	<b>4,749</b>	<b>4,745</b>	<b>(4)</b>	<b>62</b>	<b>(66)</b>
Finance	2,597	(63)	2,534	2,573	39	173	(134)
Information, Communication Technology	2,803	135	2,938	2,507	(431)	(431)	0
People	1,725	50	1,775	1,663	(112)	(68)	(44)
Future Monmouthshire	(46)	(25)	(71)	12	83	82	1
Commercial & Corporate Landlord	667	(67)	600	1,408	808	437	371
<b>Resources</b>	<b>7,746</b>	<b>30</b>	<b>7,776</b>	<b>8,163</b>	<b>387</b>	<b>193</b>	<b>194</b>
Precepts & Levies	20,379	1	20,380	20,382	2	2	0
Coroner's	117	0	117	152	35	23	12
Archives	182	0	182	182	0	0	0
Corporate Management	293	0	293	62	(231)	(192)	(39)
Non Distributed Costs (NDC)	492	0	492	707	215	215	0
Strategic Initiatives	(167)	228	61	0	(61)	(61)	0
Insurance	1,447	0	1,447	1,499	52	55	(3)
<b>Corporate Costs &amp; Levies</b>	<b>22,743</b>	<b>229</b>	<b>22,972</b>	<b>22,985</b>	<b>13</b>	<b>42</b>	<b>(29)</b>
<b>Net Cost of Services</b>	<b>165,590</b>	<b>(903)</b>	<b>164,687</b>	<b>170,307</b>	<b>5,620</b>	<b>6,746</b>	<b>(1,126)</b>

Service Area	Original Budget 2020/21	Budget Adjustments Months 1-9	Revised Annual Budget	Forecast Outturn	Forecast (Under) / Over Spend @ M9	Forecast (Under) / Over Spend @ M7	Variance from M7 to M9
	'000's	'000's	'000's	'000's	'000's	'000's	'000's
Fixed Asset Disposal Costs	20	45	65	71	6	6	0
Interest & Investment Income	(252)	0	(252)	(90)	162	162	0
Interest Payable & Similar Charges	4,020	27	4,047	3,716	(331)	(230)	(101)
Charges Required under Regulation	6,251	(108)	6,143	6,062	(81)	(82)	1
Other Investment Income	(1,153)	1,153	0	(14)	(14)	(14)	0
Borrowing Cost Recoupment	(3,425)	50	(3,375)	(3,381)	(6)	(5)	(1)
Contributions to Reserves	143	0	143	143	0	0	0
Contributions from reserves	(747)	(4)	(751)	(751)	0	0	0
<b>Appropriations</b>	<b>4,857</b>	<b>1,163</b>	<b>6,020</b>	<b>5,756</b>	<b>(264)</b>	<b>(163)</b>	<b>(101)</b>
<b>Expenditure to be Financed</b>	<b>170,447</b>	<b>260</b>	<b>170,707</b>	<b>176,062</b>	<b>5,355</b>	<b>6,583</b>	<b>(1,228)</b>
General Government Grants	(64,823)	0	(64,823)	(64,823)	0	0	0
Non Domestic Rates	(32,937)	0	(32,937)	(32,937)	0	0	0
Council tax	(79,572)	(260)	(79,832)	(80,199)	(367)	(385)	18
Council Tax Benefit Support	6,885	0	6,885	7,044	159	228	(69)
<b>Financing</b>	<b>(170,447)</b>	<b>(260)</b>	<b>(170,707)</b>	<b>(170,915)</b>	<b>(208)</b>	<b>(157)</b>	<b>(51)</b>
<b>Net General Fund (Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,147</b>	<b>5,147</b>	<b>6,426</b>	<b>(1,279)</b>

## DIRECTORATE – DIVISION VARIANCE COMMENTS

<b>SOCIAL CARE, HEALTH &amp; SAFEGUARDING</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	1,630	1,448	1,707	<b>1,308</b>	

### **SOCIAL CARE, HEALTH & SAFEGUARDING DIRECTOR'S COMMENTARY:**

The month 9 directorate forecast outturn for 2020/21 shows an overspend of £1.308m, a £399k decrease since M7, as a result of £260k Winter pressures funding from Health to contribute towards increased in house care at home costs and a recent change in Welsh Government approach to funding 100% lost Registrars income. At month 9 our Children Looked After numbers stand at 218, a reduction of 4 since M7. Of the overspend, £346k is as a result of the pressure from the additional 1.75% unfunded staff pay award, £242k unachievable 2% staff efficiency saving and accounting for the Social Care Workforce and Sustainability Grant from Welsh Government of £984k.

The Adult Services division is forecasting an underspend of £109k as a result of Health Winter Pressures funding of £260k towards increased care at home costs. This area of the directorate has also benefitted in year from the Social Care Workforce and Sustainability (SCWS) grant and Intermediate Care Funding (ICF), with the SCWS grant of circa £1m to continue in 2021/22, and ICF having a planned termination date of 31<sup>st</sup> March 2022.

Children's Services has a predicted overspend of £1.434m, a £26k reduction since the reported M7 forecast. This element of the directorate received a significant injection as part of the 2020/21 budget allocation, however, this was based on CLA numbers at that time being 197. Since the budget for 2020/21 was set, the service had a further influx of children to 219 at the end of 2019/20, and present count CLA stands at 218 and legal costs still remain at a predicted overspend of £238k.

Public Protection continues to strive to remain within its budget. The Public Protection budget has been helped by a recent change in Welsh Government, funding the loss of Registrars income to tune of 100%, resulting in a shift from a £177k overspend at M7, to a predicted small underspend of £17k at M9.

### **ADULT SERVICES**

<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	24	156	180	<b>(62)</b>	0

Expenditure is above budget due to the additional 1.75% pay award, not achieving the 2% staff efficiency saving and additional spend in the care at home service. However, recently agreed funding from Health of £260k has benefitted the budget and brought the forecast at M9 to a slight underspend overall.

### **CHILDREN SERVICES**

<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	1,575	1,459	1,460	1,433	0

£1m overspend in providing care and placements for our 218 Looked After Children, £238k overspend in legal costs and the remaining overspend as a result of continued use of agency staffing which currently stands at 6 being employed plus the increased staff pay award.

<b>COMMUNITY CARE</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	(63)	(209)	(4)	60	0
Mainly on budget but this is being held up by a circa £1m SCWS grant.					
<b>COMMISSIONING</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'s</b>	(118)	(63)	(103)	(106)	0
Ongoing vacant Commissioning Officer post and realignment of Service Level Agreements and Contracts, but reduced by increased staff pay award					
<b>PARTNERSHIPS</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	0	0	0	0	0
No variances					
<b>PUBLIC PROTECTION</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'s</b>	211	109	177	(17)	0
Reflects recent change in Welsh Government policy on recovering lost income and deciding to fund 100% loss in Registrars income.					
<b>RESOURCES &amp; PERFORMANCE</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	1	(5)	(4)	0	0
No variances					

<b>CHILDREN &amp; YOUNG PEOPLE</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	84	19	125	87	
<b>CHILDREN &amp; YOUNG PEOPLE DIRECTOR'S COMMENTARY:</b>					
<p>The month 9 forecast for the CYP directorate shows an overspend of £87k, this is primarily due to the pressures in ALN which amount to £608k which is an increase of £130k from the month 7 forecast. This clearly remains a concern for the directorate and is an area of focus to reduce the costs where possible.</p> <p>The offsetting underspends are as a result of an over provision for the rates for the new Monmouth Comprehensive School, having recently received the final statement there is a saving of £82k. In addition to this a Welsh Government grant of £101k to support the teacher's pay award, the full pay award has already been funded to schools and therefore this grant will be held centrally. Early years is underspent by £150k as a result of lower payments to schools and early year's settings for rising 3's due to the current situation.</p>					
<b>INDIVIDUAL SCHOOLS BUDGET</b>					

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(264)	(316)	(434)	0
Increase in underspend of £118k is due to a saving against the Monmouth Comp Rates forecast					
<b>RESOURCES</b>					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	37	22	14	3	0
Decrease in costs is due to vacancy savings					
<b>STANDARDS</b>					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	47	261	426	518	0
<ul style="list-style-type: none"> <li>Recoupment increased by (income received from other LA's) (£296,000)</li> <li>Independent placement costs overspent by £225,000</li> <li>Other LA placement costs overspent by £206,000</li> <li>Additional support for pupils attending our schools overspent by £525,000</li> <li>Underspend on early years (rising 3's) due to school closure (£150,000)</li> <li>Overspend on breakfast clubs £52,000</li> </ul> <p>Within the overspend of £525,000 relating to the additional support for pupils attending our own schools, £200,000 relates to additional funding for the additional learning needs units in Overmonnow (£100k) and Monmouth Comprehensive (£100k). Both these units are able to accommodate more MCC pupils, resulting in less pupils needing to be educated either in independent or other LA schools. While this has resulted in an over spend, the fees paid for the other schools would have resulted in the overspend being higher.</p> <p>Included in the independent placement costs is £108,000 relating to the three remaining pupils at Mounton House School, this cost has been transferred from Mounton House to support this.</p> <p>Breakfast clubs have seen a reduction in numbers since re-opening following the Summer Term lockdown, which has led to a reduction in income.</p>					

ENTERPRISE	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	5,950	5,113	4,617	3,829	
<b>ENTERPRISE DIRECTOR'S COMMENTARY:</b>					
<p>The Enterprise and MonLife Directorate is forecasting an outturn position of £3,829m adverse at month 9. This is an improved position since Month 7 and the details of these changes are provided in more detail within the next sections of this report.</p> <p>The impact of COVID-19 continues to be significant across all of the services with both a loss of income and additional costs incurred to operate critical front line services during the pandemic. In addition to the direct impacts of the pandemic service areas have identified pressures where budget savings have not been implemented or ongoing pressures continue to affect services.</p>					

Each service area sets out the detail behind these projections in the next sections of this report and the key financial issues and implications that have arisen since COVID-19 and lockdown commenced. The loss of income for MonLife, grounds maintenance, private hire in home to school transport, car parking and trade waste is significant. It is not anticipated that these income streams will be restored fully within this financial year and assumptions have been built into the forecast to account for when the services reopen and recommenced.

Due to the school closure's there has been a direct impact upon the income within schools catering, home to school transport and outdoor education and with the current lockdown, ongoing social distancing and COVID-19 requirements this will have a long term impact on these services. There are also significant increased costs across the directorate, for example, there are additional resource requirements to operate services whilst complying with social distancing within building cleaning, highways, waste services and grounds maintenance as examples.

Across all Services, we continue to ensure that all eligible additional costs and income losses are being claimed against any Welsh Government funding being made available. Since month 7 a number of service areas have been able to report an improved position as WG has confirmed that costs or income losses can be covered by the support grants available due to COVID.

## BUSINESS GROWTH & ENTERPRISE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	46	29	(50)	(62)	0

Business Growth & Enterprise is forecasting a £62k underspend, this can be split down to the following :-

- Abergavenny Borough Theatre – Break-even.
- Youth Enterprise - £15k underspend due to offsetting core staff costs with grant funding.
- Communications - £4k underspend due to improved income.
- Community & Pship Development - £21k underspend, this is mainly due to staff savings as we have been able to passport core costs to grant funding.
- Enterprise Mgt - £17k overspend due to unfunded pay award.
- Strategic Projects - £40k underspend mainly due to staff savings as we have moved costs relating to collaboration to capital as part of capitalisation directive.

## FACILITIES & FLEET MANAGEMENT

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,339	1,097	1,222	923	0

Facilities & Fleet Management is forecasting to overspend by £923k – the services within this area have been heavily impacted by the Covid 19 outbreak.

- **Catering** - £489k overspend. Paid meal uptake has been impacted by the closure of schools this year due to Covid so income generation has been minimal. In addition we are also experiencing pressure on our free school meal budget, the number of pupils entitled to FSM have risen from 1,390 to 1,640. There is no additional budget provision for this so if we have 100% uptake between now and year end our income from paid meals will reduce further. We are anticipating that all income losses will be funded by the WG income loss grant.



- **Building Cleaning** - £19k underspend. Forecasted income levels remain similar to last year so we are anticipating an underspend against budget. The level of cleaning within our buildings and schools has had to be increased due to Covid requirements, the extra cleaning hours will be covered by the WG hardship fund so the additional cost has not been included in the forecast. In addition the service has received a schools cleaning grant which has helped cover the increased costs linked to the more expensive chemicals needed to kill COVID.
- **Passenger Transport** - £255k overspend, due in the main :-
  - Private Hire & Service 65 - £20k loss of private hire income as we anticipate no private hires, school trips etc. for the rest of the year. This has reduced considerably from Month 7 as WG have agreed to fund the lost income from the support grant, we anticipate that this will be fully funded by year end so no impact on revenue outturn.
  - School Transport Operations - £262k overspent, combination of historic staff pressure c/fwd from 19-20 and estimated additional hours required to cover new covid transport arrangements and additional staffing required to cover recent contract hand backs, this has been part offset by additional Bus Emergency Payment grant and is the reason for the £139k improvement from Month 7.
  - Commissioning - £28k underspend, due to :-
    - Staff vacancies.
    - A 25% reduction in contractor payments during Covid lockdown periods.
    - Offset by, the cost of covering contract hand backs - due to the low number of available operators within the surrounding area we are finding that replacing contracts are coming at price premium, due to Covid 19 contracts have had to be split and additional vehicles put on to cover.
- **Fleet Maintenance** - £196k overspend, due to:-
  - The unit is incurring additional vehicle maintenance costs due to the authority's fleet increasing in number due in the main to Covid requirements.
  - Increased depot maintenance.

A reduction in members of the Green Car scheme has hit savings (£6k).

## NEIGHBOURHOOD SERVICES

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,456	1,153	783	500	0

Neighbourhood services is forecasting to overspend by £500k – the services within this area have been heavily impacted by the Covid 19 outbreak.

- Highways & Street Lighting - Forecasting a £72k underspend. This is due to a saving in Street Lighting as electricity price increases were less than budgeted and due to KWH savings from energy efficient lamp replacement, there is also a one-off saving as we will only see a part year loan repayment in 20-21. Highways Operations and Swtra are currently forecasting to Break-Even.
- Waste & Street Scene - £572k overspend – This can be broken down into 2 main areas:-
  - Waste Services - £557k overspend due to:-
    - Staff Costs overspending by £75k due to the need to bring in more resource to cope with the impact of Covid19. This forecast assumes social distancing measures will continue until financial year end.

- Vehicle Hire & running costs increasing by £15k – extra vehicles have been brought in to help with social distancing of workforce, as above we expect this to continue until year end.
  - External Income reducing by £68k – The lockdown has meant that trade income and re-use shop income will not hit budget.
  - Non-Covid related pressures - £389k – due to abeyance of Usk CA site closure (£30k), pressure caused by no budget increase for contracts and fuel inflation and the delayed roll out of polyprop bags. In addition the volatility in the recycling market due to Brexit and Covid continue to impact negatively on treatment and disposal costs for recycling and waste materials. This has been part offset by savings in project staff vacancies.
- Grounds Maintenance – £14k overspend – the service has been greatly affected by the Covid outbreak, grounds staff and vehicles were initially redeployed to help in the waste service so external income generation has been affected. The majority has been covered off by WG income grant and is the reason for the positive swing from Month 7.

Both services have benefitted in quarters 1 and 2 from WG covid funding to cover lost income and additional spend and we are hopeful that this will continue for the remainder of the year. The forecast above assumes no further grant so if we do receive more then the position will improve.

### PLANNING, HOUSING and Highways Dev & Flooding

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,011	1,067	993	1,245	0

Planning, Housing and Highways Dev & Flooding is forecasting to overspend by £1,245k.

- **Planning & Building Control** - £199k net overspend mainly due to shortfalls in planning income and building control fees as a result of Covid lockdown.
- **Planning Policy** - £178k underspend, due to £128k of RLDP costs being moved to the capitalisation directive and an underspend of £50k of professional and specialist fees costs due to delays in the LDP.
- **Housing** is forecasting a £575k overspend, main areas include :-
  - A £527k overspend relating to housing our homeless in line with WG policy:-
    - B&B costs are expected to overspend by £263k.
    - We are estimating Emergency hostel increases of £230k due to additional security measures.
    - Increased private rental costs of £45k as more accommodation is required as a result of homelessness issue.
    - It is anticipated that all of the above will be covered by the WG Covid Hardship fund.
  - Reduced income in Renovation grants as covid lockdown has impacted fees (£50k).
  - A £13k underspend in Careline due to a decrease in supplies & Services.
- **Car Parking, Highways Development & Flooding** - £649k overspend. Main areas:-
  - Car Parks overspending by £839k – Pay & display and Parking Enforcement income has been affected by the Covid lockdown and we are anticipating a £750k shortfall on our income budget, in addition we have increased costs in rates, transport and supplies and services of £89k. We are anticipating that the income shortfall will be funded by WG grant.

- Highways Development & flooding underspending by £189k – this is mainly due to staff vacancies across the department where the decision has been made to freeze vacant posts to help with recovery of car park overspend.

### (MONLIFE) Countryside & Culture

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	42	40	81	121	0

**Countryside & Culture** is forecasting a £121k overspend. This is predominately down to lost income from event cancellations, postponement of workshops and shop closures in Museums and Learning due to the impact of closing sites due to Covid. In addition we have incurred additional costs as a result of flooding and is the reason for the swing from Month 7.

### (MONLIFE) Finance & Business Development

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(118)	(150)	(106)	(43)	0

Finance & Business development is forecasting to underspend by £43k. There has been lost income due to covid closures at Tintern Station and Caldicot Castle of £70k but this has been offset by staff underspends across the services as posts have been purposely held vacant. There has been additional costs for museum and catering consultants (£40k), these were not factored in at Month 7 and is the main reason reduction in underspend.

### (MONLIFE) Leisure, Youth & Outdoor Adventure

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	2,173	1,877	1,694	1,146	0

**Leisure, Youth & Outdoor Adventure** is forecasting a £1,146k overspend.

**Leisure Centre** closures due to Covid lockdown rules has impacted income generation and with the further closure in December we are now forecasting a £1,097k overspend. **Outdoor Adventure** is forecasting a £69k overspend. Both sites have been closed since March and we do not expect them to re-open for residential accommodation visits until January with anticipated income at a fraction of original budget. The overspend has reduced from M7 as we have received qtr1 and Qtr2 income loss grant from WG

The **Youth & Community Team** is reporting a £20k underspend due to staff vacancies.

The department has benefitted in quarter 1 and 2 from WG covid funding to cover lost income and additional spend and we are hopeful that this will continue for the remainder of the year. The forecast above assumes no further grant so if we do receive more then the position will improve.

CHIEF EXECUTIVES UNIT	Month 2	Month 5	Month 7	Month 9	Outturn
-----------------------	---------	---------	---------	---------	---------

<b>Deficit / (Surplus) £'000s</b>	187	144	63	(4)	
<b>LEGAL &amp; LAND CHARGES</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	78	92	40	(27)	0
<p><b>Legal</b> - £46k underspend - this is mainly as a result of staff savings due to the employment lawyer post not being filled. In addition an improvement in external income alongside WG income loss support has ensured that the income pressure reported earlier in the year has now been covered off, and is the reason for the improvement from M7.</p> <p><b>Land charges</b> – £19k overspend - this is due to a reduction in search income as a result of uncertainty in the market caused by Covid-19. Income has improved on early year predictions and qtr3 figures have come in higher than expected so we can report a reduction in forecast overspend from month 7.</p>					
<b>GOVERNANCE, DEMOCRACY &amp; SUPPORT</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	109	52	23	23	0
<p>The <b>Community Hubs</b> sections is forecasting to overspend by £10,000 this is due to over spends in Usk Post Office as this budget area is not being completely funded and therefore running at a loss and insufficient budget for Gilwern Library. This is offset in part by savings across some of the other hubs due to a decrease in spend on supplies and services.</p> <p>The <b>Contact Centre</b> is reporting a £29k overspend, this is due to a proposed budget saving that can no longer be delivered and is now reflected as a pressure in the 21-22 budget model.</p> <p>The <b>Corporate</b> Section is forecasting to overspend by £12k, this is due to an overspend relating to supplies and services and a copyright licencing fee.</p> <p>The <b>Democratic Services</b> Section is forecasting to underspend by £48,000, this is due to underspends in supplies and services mainly due to Members working from home.</p> <p><b>Policy and Partnerships</b> is forecasting to overspend by £19k, this is mainly due to an increase in Welsh Language Translation costs.</p>					

<b>RESOURCES</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	782	694	192	387	
<b>RESOURCES DIRECTOR'S COMMENTARY:</b>					
<p>Whilst the COVID-19 pandemic has adversely impacted front line services the directorate has equally suffered significantly but in different ways. The forecast over spend of £387k is in part offset by vacancy savings and notably where senior finance posts and property posts are not being filled. This is not a sustainable position and will not be a permanent feature.</p> <p>There is a significant pressure of £494k that centres itself on forecast increases in housing benefit claims, and that includes B&amp;B claims for homeless people, and which doesn't attract full subsidy from</p>					

DWP. Funding is being sought from Welsh Government's COVID-19 Hardship Fund to meet this pressure.

The directorate is also suffering income shortfalls as a consequence of the COVID-19 pandemic, with shortfalls in summons income, in Raglan training centre, Markets and with shortfalls in budgeted commercial income.

The additional overall pressure identified since month 7 of £195k can largely be attributed to the forecast rental income from commercial investments reducing further as the pandemic continues to have a huge impact on the leisure & retail industry. Losses to date have been covered by the WG Covid support fund and we anticipate this will continue through to year end so that the overspend should not have an adverse impact on the revenue outturn position.

This remains an evolving and dynamic situation that is under constant review and every effort is being made to curtail non-essential spend in recognition of the directorate and whole authority pressures.

## FINANCE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / <b>(Surplus)</b> £'000s	137	189	173	39	0

**Finance** - £254k underspend - as a result of senior Finance staff vacancies and maternity leave. This forecast currently assumes replacement for vacant posts won't be in place until April 21.

**Audit** - £51k underspend due to staff savings as we have funded collaboration costs through capital as part of capitalisation directive (£36k) and savings due to maternity leave (£14.5k).

**Revenues** - £533k overspend. The outturn has been heavily impacted by Covid:

- **Benefits** - £494k overspend. The Covid 19 pandemic continues to put this budget under considerable pressure. Welsh Government guidance requires councils to ensure that no one is sleeping rough. As a consequence the number of B&B claims for housing benefit continue to rise. Not all this expenditure qualifies for housing benefit subsidy, which is resulting in continually increasing budget pressure. We have now been given the go ahead to claim some of these costs under the Covid 19 Hardship Fund, which will bring the net over spend down when next reported.
- **Council Tax** - £105k overspend. This is mainly due to a 57k over spend against salary costs as budget has been moved as part of the Resources restructure, this has been offset by underspends in finance above. Plus £79k anticipated shortfall in summons income. This has been part offset by a £31k underspend in general supplies & Services. The planned court went ahead in January 2020 so we do now expect to receive some summons income this year (hence the improvement in forecast between months 7 and 9).
- **Charity Relief** - £169k underspend. The forecast assumes money allocated to support businesses is fully spent this year, although it is yet to be committed. We have also now received £220,000 funding from Welsh Government for the administration of the Business Support Grants. The cost shown here are for additional staff costs incurred. The costs for officers seconded into the grant team and increased banking fees etc. are held within the service departments.
- **Debtors** - £19k underspend – this is due to a staff vacancy saving, due to the financial impact of covid19 the decision has been made not to fill this post.
- **Systems & Cashiers** - £66k underspend – main reasons relate to software and system development savings and security carrier costs as activity is down due to Covid shutdown.

## INFORMATION, COMMUNICATION & TECHNOLOGY

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / <b>(Surplus)</b> £'000s	40	(128)	(431)	(431)	0

The ICT section is forecasting a £431k underspend. This is due to :-

- Savings within SRS, they are currently predicting a £52k underspend on our contribution for 20-21 and are also holding MCC specific reserves totalling £70k - we have requested that these be passed back to us this year.
- A £309,000 saving within our digital programme office as we have passported staff costs that relate to digital transformation to capital as part of the capitalisation directive.

## PEOPLE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / <b>(Surplus)</b> £'000s	(2)	6	(68)	(112)	0

- **People Services** - £25k underspend, this is due to staff savings of £27k as posts have only been filled part way through the year offset by £3 shortfall on training income (although we are expecting this to be covered by WG funding).
- **Organisational Development** - £63k underspend, this is mainly due to staff savings as we are transferring staff costs involved with service transformation to capital as part of the capitalisation directive.
- **Customer Relations** - £24k underspend due to a reduction in professional fees and staff secondment savings.

## FUTURE MONMOUTHSHIRE

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / <b>(Surplus)</b> £'000s	112	112	82	82	0

**Future Monmouthshire** - £82k overspend. £112k of Corporate Agency and travel savings have been built into the budget for 20-21 – currently these are deemed unachievable or are being achieved within directorate budgets and are thus contained in their respective forecasts. This has been offset by staff savings of £30k as we are covering secondment costs of a member of staff from WG.

## COMMERCIAL & CORPORATE LANDLORD

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / <b>(Surplus)</b> £'000s	495	515	437	808	0

**Commercial & Corporate Landlord** is forecasting a £808k overspend:-

- **Investment Properties** is forecasting a combined overspend of £836k, this can be split into 3 areas:-
  - **Investment Assets other** - £200k overspend, our MTFP for 20-21 included a £200k saving to reflect additional income from the purchase of more investment properties. Currently (and in part due to Covid) there are no further purchases in the pipeline this year so this saving is unachievable.



- **Newport Leisure Park** - £801k overspend. Rental income has reduced dramatically as the pandemic continues to have a huge impact on the leisure & retail industry. The majority of the units at the site fall under this category so have had to close again as per government guidelines, because of this we are anticipating that rental receipts for this year will be minimal. Officers are working with tenants to provide support and advice so they are ready to re-open when they are allowed and we intend to recover as much income as possible, but we will be also be looking to WG to cover the remaining loss as part of their Covid support fund so the overspend should not have an adverse impact on the revenue outturn position.
- **Castlegate** - £165k underspend. We have benefitted from a one-off windfall of £113k as Alder King have paid over tenant loan repayments that they were holding on our behalf, in addition consultant and insurance cost forecasts have been revised downwards and is the reason for the improvement from Month 7.

• **Estates** - £105k over spend. This is mainly due to income not reaching budgeted levels due to 3 issues 1) vacant space in Magor means rental income is down, 2) the budget assumed income from the creation of a development company, this has not happened yet 3) our service charge income is down as we are yet to come to an agreement with BAM. All 3 total a shortfall of £244k. In addition we have seen increased costs in maintenance, utilities and Software totalling £23k. This is currently being offset by net staffing savings of £153k due to vacant posts only being filled part way through the year and receipt of WG income funding for the lost rental at Magor office.

• **Solar Farm & Sustainability**- £97k underspend - even though we have seen ROC unit prices fall due to the drop-off in demand due to Covid lockdown we are still generating a surplus on renewables so our income is exceeding budgets. We are also seeing small underspends in rates, maintenance and professional fees.

• **County Farms** - £7k overspend, mainly due to rates increases.

• **Cemeteries** - £32k overspend mainly due to increased maintenance work on trees and boundary walls. We have seen less burials due to COVID rules but we are confident that income will remain at 19/20 levels.

• **Markets** - £110k overspend. This is mainly due to income loss as turnover has been affected by the Covid shutdown and an increase in waste collection charges, but this is offset by staff savings of £32k due to the delayed appointment of the Deputy Markets manager.

• **Industrial units** - £39k overspend mainly due to a reduction in rental income.

• **Property Services & Facilities Mgt** is forecasting a £227k underspend, made up as follows:-

- Property & Office Services are forecasting a combined underspend of £107k, this is mainly due to staff savings as some vacant posts will not be filled until later than originally anticipated or frozen until start of next year and a reduction in supplies & Services.
- Property Accommodation is forecasting to underspend by £110k. The main reason for this is due to savings in maintenance and utilities costs as offices have been closed or in limited operation due to Covid19.
- Telephony is forecasting to underspend by £10k as contracted call charges are expected to come in below budget.

<b>CORPORATE COSTS &amp; LEVIES</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
-------------------------------------	--------------------	--------------------	--------------------	--------------------	----------------

Deficit / (Surplus) £'000s	1,480	66	43	12	
<b>PRECEPTS &amp; LEVIES</b>					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	2	2	2	2	
Small overspend on National parks levy of £2k due to notification of levy late in the budget process.					
<b>CORONERS SERVICES</b>					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	23	23	23	35	
An increase in workload and staffing requirements along with DDA compliance works will lead to a forecast £35k overspend against budget.					
<b>CORPORATE MANAGEMENT</b>					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(114)	(191)	(231)	
Primarily due to the forecast receipt receivable on the final dissolution of Capita Gwent Consultancy alongside rate refunds on Authority owned premise's which were not known about until mid-way through the year.					
<b>NON DISTRIBUTED COSTS</b>					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	108	108	215	215	
Additional pension strain costs relating to redundancies. Strain costs relate to staff who retire before their normal pension age and where the employer is required to top up the pension fund to cover the shortfall in contributions. The majority of these costs would not have been known about at budget setting stage due to the uncertainty over the timing, value and individual pension implications of redundancies.					
<b>STRATEGIC INITIATIVES</b>					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	1,300	0	(61)	(61)	
The budgets held for incremental pay pressure (£420k pressure) and cross directorate efficiency savings (£359k saving) are to remain centrally and not be distributed to service budgets.					
<b>INSURANCE</b>					
Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	47	46	56	53	



An overspend is currently forecast against the premium budget based on the results of the Insurance renewal and the increase in costs for the period Oct 2020 to April 2021 due to the worsening of claims experience. The flooding events led to a significant property claim at Monmouth LC and Covid19 has led to significant travel claims relating to cancelled school trips.

<b>APPROPRIATIONS</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	(77)	(83)	(163)	(263)	
<b>FIXED ASSET DISPOSAL COSTS</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	0	25	6	6	
Costs forecast over and above the current budget due to unforeseen surveys and studies relating to disposal sites.					
<b>INTEREST &amp; INVESTMENT INCOME</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	163	181	162	162	
The forecast rate of return achievable following the Covid19 pandemic has reduced significantly from budgeted levels as the UK Government refines its economic response. This has also impacted forecast returns on Property and combined funds which are propping up the current returns. Government deposits have largely returned 0% and have at times given a negative rate of return on deposits, especially when taking into account transaction fees.					
<b>INTEREST PAYABLE &amp; SIMILAR CHARGES</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	(126)	(164)	(230)	(330)	
In October 2019 the PWLB took the unprecedented step of increasing its borrowing margin across the board by 1% in reaction to increased levels of borrowing by Local Authorities to fund commercial investments. This resulted in PWLB borrowing being uneconomic when compared to short term borrowing sourced from other public bodies and consequently the Authority's approach has been modified resulting in lower borrowing costs in the short term. PWLB has since reversed this decision but longer term rates continue to remain unattractive in the near term until capital spending plans are firmed up. Rates remain low on inter local authority borrowing further reducing costs.					
<b>CHARGES REQUIRED UNDER REGULATION</b>					
<b>Outturn Forecast</b>	<b>Month 2</b>	<b>Month 5</b>	<b>Month 7</b>	<b>Month 9</b>	<b>Outturn</b>
<b>Deficit / (Surplus) £'000s</b>	(113)	(113)	(82)	(82)	

A high level of slippage in the capital programme has resulted in some assets not being operational by 31/03/2020 and consequently the MRP charge for those assets being deferred by at least one year.

#### OTHER INVESTMENT INCOME

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	(1)	(12)	(14)	(14)	

Unexpected recoupment following the final winding up of Heritable bank which had previously defaulted.

#### BORROWING COST RECOUPMENT

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	0	(5)	(6)	

Small variance in recoupment from service budgets.

FINANCING	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	336	20	(156)	(209)	

#### COUNCIL TAX BENEFIT SUPPORT

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	336	324	229	159	

This budget continues to be under particular pressure, as a direct result of Covid 19. Since the beginning of the year caseloads has increased and now stands at around 6,094 cases (caseload at the end of March 2019 was 5,721). Since the month 7 forecast was prepared, Welsh Government has released further funding for quarter two taking the total received to date to £169,000. This has helped to bring the forecast down. Hopefully this funding will continue through to quarters 3 & 4 which will help to bring this budget closer to a balanced position.

#### COUNCIL TAX

Outturn Forecast	Month 2	Month 5	Month 7	Month 9	Outturn
Deficit / (Surplus) £'000s	0	(305)	(385)	(368)	

The position is largely the same as reported at month 7. The in year collection rate is down by 1.6% compared to the same time last year, which is a slight improvement on the 2.2% drop reported at month 7. Our court date is scheduled for January 2021 for formal recovery action to start up again. The council tax base is healthy, although it has dropped slightly from month 7 (hence the forecast drop) as the number of discounts awarded has increased.

## 2. SCHOOLS

- 2.1. A Board of Governors who are responsible for managing the school's finances directly governs each of the Authority's Schools. However, the Authority also holds a key responsibility for monitoring the overall financial performance of schools. Below is a table showing the outturn forecast Schools' balances position based on month 9 projections for each Educational Cluster.
- 2.2. The monitoring earlier in the year at month 2 included a surplus balance of £206,518 for Mounton House. As the school has now closed this balance has been transferred into central education budgets, of which, £107,000 has been used to support the placement costs for the 3 remaining MCC pupils and the remaining £100,000 has been used to offset the overspend in CYP. Included in the table below are the total balances excluding Mounton House for comparison.

Draft Council Fund Outturn 2020/21 – School Balances Summary outturn position at Month 9	(A) Opening Reserves (Surplus) / Deficit Position 2020/21	(B) Draw / (Contribution) from / (to) School Balances @ Month 2	(C) Draw / (Contribution) from / (to) School Balances @ Month 5	(D) Draw / (Contribution) from / (to) School Balances @ Month 7	(E) Draw / (Contribution) from / (to) School Balances @ Month 9	(A+E) Forecast Reserve Balances at 2020/21 Outturn
	£000's	£'000	£'000	£'000	£'000	£'000
<b>Cluster</b>						
Abergavenny	(118)	84	(316)	(299)	(311)	(429)
Caldicot	160	98	81	18	(111)	49
Chepstow	24	250	235	205	186	211
Monmouth	518	(32)	(98)	(129)	(221)	297
Special	(149)	(26)	180	193	188	39
<b>Total</b>	<b>435</b>	<b>374</b>	<b>82</b>	<b>(13)</b>	<b>(269)</b>	<b>166</b>
<b>Total Excluding Mouton House</b>	<b>607</b>	<b>409</b>	<b>(91)</b>	<b>(185)</b>	<b>(441)</b>	<b>166</b>

- 2.3. Collective School Balances at the beginning of the financial year amounted to a £435,000 deficit. The Schools month 2 forecast anticipated draw on reserves was £374,000, which resulted in a forecast deficit balance of £809,000. At month 5, the forecast deficit balance had improved by £293,000 taking the deficit to £517,000. It should be noted, that the Governors of King Henry VIII Comprehensive School have requested a Local Authority Loan of £250,000 and this was approved and reflected in Month 5 figures. At month 7, the forecast deficit balance had improved by a further £95,000 taking the deficit to £422,000. At month 9, the forecast deficit balance has improved by a further £256,000 taking the overall forecast deficit to £166,000.

2.4. The movement of individual schools forecast to be in deficit is shown below:

Start of year	Month 2	Month 5	Month 7	Month 9
<b>Total: 17</b>	<b>Total: 14</b>	<b>Total: 12</b>	<b>Total: 13</b>	<b>Total: 12</b>
Caldicot Comprehensive	Caldicot Comprehensive	Caldicot Comprehensive	Caldicot Comprehensive	Caldicot Comprehensive
Chepstow Comprehensive	Chepstow Comprehensive	Chepstow Comprehensive	Chepstow Comprehensive	Chepstow Comprehensive
King Henry VIII Comprehensive	King Henry VIII Comprehensive	**		
Monmouth Comprehensive	Monmouth Comprehensive	Monmouth Comprehensive	Monmouth Comprehensive	Monmouth Comprehensive
Llandogo Primary	Llandogo Primary	Llandogo Primary	Llandogo Primary	Llandogo Primary
Llantilio Pertholey CIW Primary				
Magor CIW Primary				
Osbaston CiW Primary	Osbaston CiW Primary	Osbaston CiW Primary	Osbaston CiW Primary	Osbaston CiW Primary
Overmonnow Primary			Overmonnow Primary	Overmonnow Primary
Pupil Referral Service	Pupil Referral Service	Pupil Referral Service	Pupil Referral Service	Pupil Referral Service
Raglan CiW Primary	Raglan CiW Primary			
Rogiet Primary				
St Mary's RC Primary	St Mary's RC Primary	St Mary's RC Primary	St Mary's RC Primary	St Mary's RC Primary
	The Dell Primary School	The Dell Primary School	The Dell Primary School	The Dell Primary School
Thornwell Primary	Thornwell Primary	Thornwell Primary	Thornwell Primary	
Undy Primary	Undy Primary	Undy Primary	Undy Primary	Undy Primary
Ysgol Gymraeg Y Fenni	Ysgol Gymraeg Y Fenni	Ysgol Gymraeg Y Fenni	Ysgol Gymraeg Y Fenni	Ysgol Gymraeg Y Fenni
Ysgol Gymraeg Y Ffin	Ysgol Gymraeg Y Ffin	Ysgol Gymraeg Y Ffin	Ysgol Gymraeg Y Ffin	Ysgol Gymraeg Y Ffin

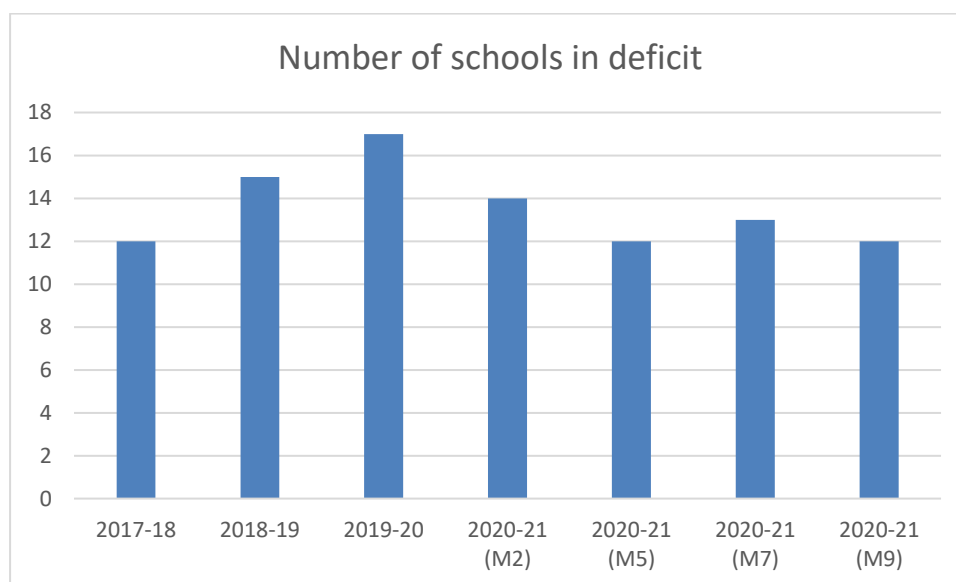
\*\* King Henry VIII Comprehensive School forecast balance at month 5 onwards includes a Local Authority loan of £250,000, which is estimated to result in a surplus year-end balance.

2.5. All schools in a deficit budget have, or are in the process of agreeing recovery plans. These recovery plans will be confirmed with both the Local Education Authority and each School's Governing Body. Once finalised the schools with significant deficits will be monitored by the Cabinet member for Children and Young People and Resources on a termly basis.

2.6. Total schools balances are exhibiting a fluctuating trend with some schools showing a continuing reduction in schools balances which is of concern and others a more balanced trend.

Financial Year-end	Net level of School Balances
2014-15	(1,140)
2015-16	(1,156)
2016-17	(269)
2017-18	(175)
2018-19	232
2019-20	435
2020-21 (Forecast)	166

2.7. However, set against this and as referenced above the number of schools in deficit is forecasting to reduce as the financial year progresses illustrated by the following table. This provides some overall comfort that recovery plans are taking effect.



There has been a significant reliance on reserve balances to supplement school spending plans in the last 4 years across individual schools with a certain amount of replenishment. As a rough guide, prior to 2010, Welsh Government advocated that school balance levels equated to no more than £50,000 for a primary school and £100,000 for a secondary school.

### 3 CAPITAL OUTTURN

3.1 The summary forecast Capital position at Month 9 is as follows:

#### Forecast Capital Outturn Position 2020/21 at Month 9

Select Portfolio	Slippage B/F	Original Budget	Budget movements	Forecast Slippage	Revised Budget 2020/21	Forecast at M9	Variance	Variance at M7
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Expenditure</b>								
Children & Young People	1,245	14,423	655	(14,333)	1,990	1,990	0	0
Economic & Development	17,496	3,068	30	(18,148)	2,446	2,446	0	0
Adult	300	5,678	0	(5,978)	1	1	0	0
Strong Communities	5,801	10,139	4,146	(1,991)	18,094	17,937	(157)	0
<b>Total Expenditure</b>	<b>24,842</b>	<b>33,308</b>	<b>4,830</b>	<b>(40,448)</b>	<b>22,532</b>	<b>22,375</b>	<b>(157)</b>	<b>0</b>
<b>Financing</b>								
Supported Borrowing	0	(2,417)	0	0	(2,417)	(2,417)	0	0
General Capital Grant	0	(2,423)	0	0	(2,423)	(2,423)	0	0
Grants and Contributions S106	(393)	(18,229)	(4,125)	16,727	(5,720)	(5,563)	157	0
Contributions	(1,052)	0	0	148	(904)	(904)	0	0
Unsupported Borrowing	(22,546)	(5,275)	0	22,272	(5,549)	(5,549)	0	0
Reserve & Revenue Funding	(239)	(2)	0	0	(241)	(241)	0	0
Capital Receipts	(612)	(3,462)	(705)	1,301	(3,478)	(3,478)	0	0
Leasing	0	(1,500)	0	0	(1,500)	(1,500)	0	0
<b>Total Financing</b>	<b>(24,842)</b>	<b>(33,308)</b>	<b>(4,830)</b>	<b>40,448</b>	<b>(22,532)</b>	<b>(22,375)</b>	<b>157</b>	<b>0</b>

3.2 The capital expenditure forecast outturn at month 9 shows a small adverse variance due to a forecast reduction in ATF grant funding for Caldicot Church Road Connections. This does not result in a financial impact on the Authority.

3.3 The outbreak of the COVID-19 pandemic has caused significant disruption to the progress of budgeted capital schemes with forecast slippage at Month 9 totalling £40.45m (£37.50m at month 7). The Covid-19 impact is affecting both internally and externally managed projects, with disruption to external supply chains, increased contract risk and potential inflationary cost pressures sitting alongside internal resourcing pressures.

3.4 The forecast slippage is broken down as follows:

Scheme	Forecast Slippage Month 2 (000's)	Forecast Slippage Month 5 (000's)	Forecast Slippage Month 7 (000's)	Forecast Slippage Month 9 (000's)
Asset Investment fund		18,142	18,142	18,118
Tranche 'B' Future Schools			12,484	13,421
Crick Road Care Home	5,978	5,978	5,978	5,978
County Hall 'J' block		544	544	544
21 <sup>st</sup> Century Schools Team				525
Access for All				390
School Refurbishment				300
Abergavenny Borough Theatre Works				236
Council Chamber refurbishment & IT upgrade		200	200	200
Sewage Treatment Works				200
Section 106 schemes		131	78	148
Abergavenny Community Hub development				47
Property schemes		229	74	138
Other schemes				203
<b>Total</b>	<b>5,978</b>	<b>25,224</b>	<b>37,500</b>	<b>40,448</b>

### 3.5 Useable Capital Receipts Available

3.6 In the table below, the effect of the changes to the forecast capital receipts at Month 9 on the useable capital receipts balances available to meet future capital commitments are illustrated. There is also a comparison to the balances forecast within the 2020/24 MTFP capital budget proposals.

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Balance as at 1st April	3,207	7,521	8,828	7,748	7,168
Capital receipts used for financing	(1,387)	(1,985)	(684)	(684)	(684)
Capital receipts used to support capitalisation direction	(2,091)	(1,700)	(1,700)	0	0
Capital receipts Received or Forecast	7,792	4,992	1,304	104	104
<b>Forecast Balance as at 31st March</b>	<b>7,521</b>	<b>8,828</b>	<b>7,748</b>	<b>7,168</b>	<b>6,588</b>
Forecast Balance 2020/24 MTFP	9,904	10,245	10,791	10,136	10,136
<b>Variance compared to 2020/24 MTFP</b>	<b>(2,383)</b>	<b>(1,417)</b>	<b>(3,043)</b>	<b>(2,968)</b>	<b>(3,548)</b>

3.7 Forecasted capital receipts of £3.7m are delayed from 2020/21 to 2021/22 in regard to sales of land at Rockfield Farm, Undy and Penarth Farm due to the delay in receiving offers because of the Covid-19 pandemic and site constraints concerning Penarth Farm.

3.8 Forecasted balances held at the end of this financial year are lower than forecasted in the 2020/24 MTFP. Ignoring timing differences in the realisation of capital receipts, this is largely attributable to the use of unbudgeted receipts under the capitalisation direction in 2019/20 and 2020/21 and budgeted use for 2021/22 and 2022/23. If this trend of utilisation is maintained in the medium term this will result in reduced balances being available to support further capital investment.